Request for raising external commercial borrowing by All India Scheduled Caste Development Co-operative Society, New Delhi

2458. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether any request for raising external commercial borrowing has been received from the All India Scheduled Caste Development Co-operative Society, New Delhi; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Yes, Sir. The request is towards raising external commercial borrowing from a commercial bank in Netherlands, against the guarantee of a public sector bank in India, for financing a portion of the cost of a fruits & vegetable project. The society has been requested to arrange for appraisal of the project by a development financial institution in India and also obtain commitments in writing from a nationalised bank in India to provide guarantee to the overseas lender. The matter would be processed further, when these requirements are met by the said society.

Opening of accounts in foreign banks by Peerless General Finance and Investment Company

2459. SHRIMATI BIJOYA CHAKRAVARTY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that accounts have been opened in foreign banks by the Chairman-cum-Managing Director of the Peerless General Finance and Investment Company and also by one of the leading Directors of the Company in their respective names and in the names of their family members;

(b) if so, whether opening of these accounts have been permitted by the Reserve Bank of India;

(c) if so, the circumstances in which such permission was accorded by the Reserve Bank; and

(d) if the answer to part (b) above be in the negative, what steps Government propose to take in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) Enquiries initiated against M|s. Peerless General Finance and Insurance Co. Ltd., Calcutta on the basis of searches conducted by the Department of Income Tax in 1987 have not revealed maintenance of foreign account by Chairman-cum-Managing Director and other Directors of the Company.

Bilateral Areement with France

2460. SHRI K. V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) whether France had requested for a bilateral agreement providing for mutual protection of investments; and

(b) if so, what are the details thereof and what is Government's reaction thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) During the Indo-French Joint Committee for Economic and Technical Cooperation Meeting held in January, 1989 the French side had proposed signing of a convention for mutual protection of investments which would favoured the growth of French investments in India. However, the Indian side had clarified that since India had a good track record in regard to servicing of foreign in-

investments, there was no need for signing any such convention.

News item regarding alleged tax evasion by Shri Amitabh Bachchan

2461. SHRI SHANKER SINH VAGHELA: Will the Minister of FINANCE be pleased to state:

(a) whether he has seen a report in Times of India dated the 24th January, 1989 to the effect that incriminating evidence against Shri Amitabh Bachchan for receiving huge and undisclosed amounts for acting in the film 'Khoon Pasina' and also in 'Suhaag' had been found but still the Department did not process against Shri Bachchan; if so, what are the facts in this regard;

(b) what are the names of other actors and actresses who acted in either or in both the films and were accused of receiving undisclosed payments resulting in proceedings against them; if so, what has been the results in each case; and

(c) what are the reasons for which Shri Amitabh's case was not treated at par with otheds?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) Yes, Sir.

Some documents containing references to certain film actors and actresses were found in the course of certain searches. The concerned incometax authorities are seized of the relevant matters.

(b) Information is being collected and will be laid on the Table of the House.

(c) Shri Amitabh Bachchan's case was not treated differently from those of others.

Steps taken to widen the money market

2462. SHRI K. V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recently taken certain steps to widen the money market to improve the effectiveness of monetary policy.

(b) if so, what are the details thereof; and

(c) the achievements expected by these steps?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): Yes, Sir.

(b) and (c) In the recent period the Reserve Bank of India (RBI) has taken the following measures to widen the money market in India:—

(i) To attract more funds into bills rediscounting market, the entry into the market has been made less restrictive than hitherto. State Bank of India Mutual Fund, Canbank Mutual Fund and select urban cooperative banks have been permitted to participate in this market;

(ii) In order to impart improved liquity to short-term money market instruments, the Discount and Finance House of India Ltd. (DFHI) has been set up by RBI along with public sector banks and financial institutions. It has become operative in April 1988.

(iii) In April 1988 DFHI was exempted from the ceiling of 12.5 per cent per annum on the bill rediscounting rate to provide flexibility to the bills rediscounting market.

(iv) Periodicity of auction in 182 Days Treasury bills has been charged from monthly to fortnightly